

paying jobs, and improved the quality of life for all Americans.

It is currently composed of two accounts that fund federal-aid highway and transit projects built by states.

Federal funding from the trust fund accounts for a major portion of state transportation spending.

The Highway Trust Fund is financed by gasoline and diesel taxes, which until the last decade produced a steady increase in revenues sufficient to accommodate increased levels of spending on highway and transit projects.

However, those tax rates—18.4 cents/gallon federal tax on gasoline and a 24.4 cents/gallon tax on diesel fuel—have remained unchanged since 1993 and were not indexed to inflation so the value of those revenues has eroded over the years, and, combined with the fact that vehicles have been getting increasingly better mileage, the revenues deposited into the Highway Trust Fund beginning last decade have not kept pace with highway and transit spending from the trust fund.

Consequently, since 2008, Congress has periodically had to transfer at the 11th hour general Treasury revenues into the trust fund to pay for authorized highway and transit spending levels and avoid a funding shortfall.

The total amount to date is more than \$74 billion.

Obviously, this practice is economically inefficient and injects uncertainty in the highway construction plans, projects, and schedules of state and local transportation agencies, not to mention the anxiety it causes to workers and businesses who economic livelihood is dependent on those projects.

Mr. Speaker, the last transportation authorized by Congress for 4 years or more, SAFETEA-LU, expired on September 30, 2009, at the end of FY 2009.

Because Congress and the Administration could not agree to a new reauthorization, it was necessary to resort to stop-gap temporary extensions on no less than eight occasions spanning a period of 910 days before Congress finally enacted the Moving Ahead for Progress in the 21st Century Act" (MAP-21 Act) on July 6, 2012, which reauthorized highway and transportation programs through Fiscal Year 2014, a little more than two years, or until September 30, 2014.

MAP-21 was intended as a short-term measure to give Congress and the Administration breathing room to reach agreement on a long-term reauthorization bill.

Yet, as Mr. LEVIN, the Ranking Member of the Ways and Means Committee, has often pointed out, since gaining the majority in 2010, our Republican colleagues have failed to take any action to sustain the Highway Trust Fund over the long-term and shore up vital infrastructure projects and has not held even a single hearing on financing options for the Highway Trust Fund.

Mr. Speaker, it is long past time for this Congress, and especially the House majority, to focus on the real problems and challenges facing the American people.

And one of the biggest of those challenges is ensuring that America has a transportation policy and the infrastructure needed to compete and win in the global economy of the 21st Century.

To do that we have to extend the reauthorization of current transportation programs and to authorize the transfer of the funds to the

Highway Trust Fund needed to fund authorized construction projects and keep 700,000 workers, including 106,100 in Texas on the job.

But that is only a start and just a part of our job.

The real work that needs to be done in the remaining days of this Congress is to reach an agreement on H.R. 22 that the President can sign that is fair, equitable, fiscally responsible, creates jobs and leads to sustained economic growth.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Nevada (Mr. HARDY) that the House suspend the rules and pass the bill, H.R. 3996.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

□ 1930

#### POLICYHOLDER PROTECTION ACT OF 2015

Mr. POSEY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1478) to provide for notice to, and input by, State insurance commissioners when requiring an insurance company to serve as a source of financial strength or when the Federal Deposit Insurance Corporation places a lien against an insurance company's assets, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 1478

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE.

*This Act may be cited as the "Policyholder Protection Act of 2015".*

#### SEC. 2. ENSURING THE PROTECTION OF INSURANCE POLICYHOLDERS.

(a) *SOURCE OF STRENGTH.*—Section 38A of the Federal Deposit Insurance Act (12 U.S.C. 1831o-1) is amended—

(1) by redesignating subsections (c), (d), and (e) as subsections (d), (e), and (f), respectively; and

(2) by inserting after subsection (b) the following:

“(c) *AUTHORITY OF STATE INSURANCE REGULATOR.*—

“(1) *IN GENERAL.*—The provisions of section 5(g) of the Bank Holding Company Act of 1956 (12 U.S.C. 1844(g)) shall apply to a savings and loan holding company that is an insurance company, an affiliate of an insured depository institution that is an insurance company, and to any other company that is an insurance company and that directly or indirectly controls an insured depository institution, to the same extent as the provisions of that section apply to a bank holding company that is an insurance company.

“(2) *RULE OF CONSTRUCTION.*—Requiring a bank holding company that is an insurance company, a savings and loan holding company that is an insurance company, an affiliate of an insured depository institution that is an insurance company, or any other company that is an insurance company and that directly or indirectly controls an insured depository institution to serve as a source of financial strength under

this section shall be deemed an action of the Board that requires a bank holding company to provide funds or other assets to a subsidiary depository institution for purposes of section 5(g) of the Bank Holding Company Act of 1956 (12 U.S.C. 1844(g)).”.

(b) *LIQUIDATION AUTHORITY.*—The Dodd-Frank Wall Street Reform and Consumer Protection Act (12 U.S.C. 5301 et seq.) is amended—

(1) in section 203(e)(3) (12 U.S.C. 5383(e)(3)), by inserting “or rehabilitation” after “orderly liquidation” each place that term appears; and

(2) in section 204(d)(4) (12 U.S.C. 5384(d)(4)), by inserting before the semicolon at the end the following: “, except that, if the covered financial company or covered subsidiary is an insurance company or a subsidiary of an insurance company, the Corporation—

“(A) shall promptly notify the State insurance authority for the insurance company of the intention to take such lien; and

“(B) may only take such lien—

“(i) to secure repayment of funds made available to such covered financial company or covered subsidiary; and

“(ii) if the Corporation determines, after consultation with the State insurance authority, that such lien will not unduly impede or delay the liquidation or rehabilitation of the insurance company, or the recovery by its policyholders”.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Florida (Mr. POSEY) and the gentleman from Wisconsin (Ms. MOORE) each will control 20 minutes.

The Chair recognizes the gentleman from Florida.

GENERAL LEAVE

Mr. POSEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. POSEY. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I want to thank my colleague on the Financial Services Committee, Mr. SHERMAN, for all of his help and support on the Policyholder Protection Act as well as the chairman and ranking member of the committee for their support.

I have devoted a great deal of time to insurance issues both as a State legislator in Florida and as a Member of Congress. For over 3 years, I have been pushing legislation to address problems that Dodd-Frank created for insurance companies and, more importantly, their policyholders.

I credit former Congresswoman Judy Biggert for bringing these issues to light and for offering a positive solution focused on protecting consumers.

After a lot of hard work, multiple hearings, drafts, redrafts, and so forth, we now have before us this bipartisan, commonsense legislation that will ensure that State regulators continue to have the tools they need to protect policyholders back home.

Mr. Speaker, insurance policyholders shouldn't be on the hook for an affiliated company's failure or financial distress. But, unfortunately, that is an all-too-real scenario under the current law.

Today, in certain circumstances, insurance assets—those set aside to pay out policyholders' claims—could be used as a source of strength to offset risky bets of an organization affiliated with the insurance company.

This practice could threaten the solvency of an insurer and undermine its ability to keep promises it makes to its customers, customers who rely on their policies to protect their families' homes, their livelihoods, and their retirement.

It is simply wrong to force middle class families to put their homeowner's or life insurance policies at risk because of bad bets that someone might have made on Wall Street. Therefore, our bill clarifies that State regulators can wall off these assets from contagion, regardless of how an insurance company is structured.

The bottom line here is that insurance policies shouldn't be raided, period, and certainly not to bail out a financial institution that made poor decisions. Consumers deserve certainty that they will be protected, which is why our bill will also require the FDIC to notify State regulators and consult with them before taking a lien on insurance company assets. In the rare event that this action is being considered, this legislation requires that the FDIC first consider the impact that taking such a lien could have on policyholders.

Taken together, these measures safeguard insurance assets and make certain that they continue to be used for their primary purpose, which is to pay out the claims of policyholders.

The Policyholder Protection Act enjoys broad support from insurance regulators, State regulators, guaranty funds, consumers representatives, and the industry.

Mr. Speaker, I am proud of our work on this commonsense consumer protection bill. I urge all of my colleagues to support it.

Mr. Speaker, I reserve the balance of my time.

Ms. MOORE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of H.R. 1478, the Policy Protection Act. I applaud my colleagues, Mr. POSEY of Florida and Mr. SHERMAN of California, on their diligent work that they have put into crafting this legislation in the Financial Services Committee. I supported this legislation in committee.

The bill, in a nutshell, ensures that insurance company assets are, first and foremost, used to protect and pay policyholders' claims.

Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. SHERMAN) to further discuss this bill.

Mr. SHERMAN. I thank the gentleman for yielding.

Mr. Speaker, it has been a pleasure to work with the gentleman from Florida on this bill. I was pleased to join him in introducing this legislation.

This is a commonsense bill. It has, I believe, total support. We voted on it

in committee. It was supported unanimously. It has no objection from any of the regulators, such as the FDIC, or others.

It is supported by most insurance commissioners all over the country, including Dave Jones, Insurance Commissioner in California. It is supported by the American Council of Life Insurers, Property Casualty Insurers, and the Big I. So this bill has industry and the regulators behind it, Democrats and Republicans. It is unanimous.

What does the bill do? It deals with the circumstance where you have an insurance company that is a subsidiary of a financial services holding company, and it basically lays out the principle that the assets of the insurance company are there to pay insurance claims.

The State regulator of the insurance company regulates that insurance subsidiary and makes sure that the assets are there to provide insurance reserves and to pay insurance claims. Those assets cannot be invaded to pay for bad bets made by affiliated companies.

So, first, the bill says that State-regulated insurance company resources cannot be used as a source of strength for an affiliated financial firm that is being liquidated under title II of Dodd-Frank.

Second, the financial regulator may not place a lien on the assets of the State-regulated insurance company under title II unless the State insurance commissioner consents. It is the State insurance commissioner's fundamental duty to protect the policyholders.

Finally, the State insurance commissioner has the primary authority to determine whether to liquidate or rehabilitate insurance companies.

The insurance commissioners did an excellent job during the meltdown of 2008 to make sure that policyholders were paid. This bill reaffirms that the State regulators have the ability to wall off insurance company assets to protect policyholders. The bill will make sure that those assets are not jeopardized by complex bets, risk-taking, or poor management of affiliated companies.

In a nutshell, we want to make sure that those who have insurance feel secure. This bill will do that.

Mr. POSEY. Mr. Speaker, I yield 2 minutes to the gentleman from Missouri (Mr. LUETKEMEYER), the chairman of the Housing and Insurance Subcommittee.

Mr. LUETKEMEYER. Mr. Speaker, I thank the gentleman from Florida for yielding.

A majority of the Financial Services Committee and, in fact, the majority of Congress recognizes the need to preserve the current State-based model of insurance regulation. It is an important conversation because our model, different from others around the world, centers on the protection of policyholders before anything else.

H.R. 1478, the Policyholder Protection Act, introduced by the gentleman

from Florida (Mr. POSEY) and the gentleman from California (Mr. SHERMAN) works to guarantee the policyholder protections that have served the U.S. insurance system and consumers so well.

The bill guarantees the authorities of State regulators to protect an insurance company from contagion, ensuring that policyholders can be paid for claims regardless of how that insurer is organized.

It also codifies the existing role of the FDIC to consult with State regulators and requires full consideration of all implications a resolution could have on policyholders. The legislation also ensures that the States maintain authority over an insurer's resolution process.

Insurers typically hold large amounts of capital. They do so because the primary function of an insurer is to pay claims. Mr. POSEY's bill makes sure those assets which go towards payment of claims aren't used to offset other activities of affiliated businesses.

There is a genuine concern that other affiliates could raid an insurance affiliate's assets to prop up another entity within its company's holdings. This should never be allowed. This bill prevents that from happening. In other words, it says "hands off" to other assets of the insurance company.

The Policyholder Protection Act enjoys broad bipartisan support. It was passed unanimously by the Financial Services Committee because it codifies protections for insurance policyholders.

I congratulate the gentleman from Florida and the gentleman from California on their bill and thank them for their work on behalf of the consumers. I urge all my colleagues to join me in supporting this legislation.

Ms. MOORE. Mr. Speaker, I yield myself such time as I may consume.

This bill, which Mr. SHERMAN and Mr. POSEY have worked so diligently on, brings parity among State law, Federal bank holding company laws, and now the savings and loan holding companies.

It clarifies that the FDIC's backup receivership authority is not triggered if a State insurance regulator decides to rehabilitate rather than to liquidate a troubled insurance company.

I certainly commend this bill to my colleagues. The Financial Services Committee has looked it over carefully. I urge support of this balanced proposal.

Mr. Speaker, I yield back the balance of my time.

Mr. POSEY. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida (Mr. POSEY) that the House suspend the rules and pass the bill, H.R. 1478, as amended.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

#### SECURITIES AND EXCHANGE COMMISSION REPORTING MODERNIZATION ACT

Mr. HENSARLING. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3032) to amend the Securities Exchange Act of 1934 to repeal a certain reporting requirement of the Securities and Exchange Commission.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 3032

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE.

This Act may be cited as the “Securities and Exchange Commission Reporting Modernization Act”.

#### SEC. 2. ELIMINATION OF REPORTING REQUIREMENT.

Paragraph (6) of section 21(h) of the Securities Exchange Act of 1934 (15 U.S.C. 78u(h)) is repealed.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Texas (Mr. HENSARLING) and the gentlewoman from Wisconsin (Ms. MOORE) each will control 20 minutes.

The Chair recognizes the gentleman from Texas.

□ 1945

#### GENERAL LEAVE

Mr. HENSARLING. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on this bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. HENSARLING. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 3032, the Securities and Exchange Commission Reporting Modernization Act.

I want to thank the gentlewoman from Arizona (Ms. SINEMA) and the gentleman from Virginia (Mr. HURT), for their very diligent and bipartisan work that resulted in the Financial Services Committee favorably reporting H.R. 3032 on a unanimous vote.

I would also like to thank SEC Chair Mary Jo White and her fellow Commissioners for providing their unanimous recommendation to eliminate this reporting requirement, which the Congress previously repealed for all other regulatory agencies.

No matter how modest the legislation may be, legislative efforts to eliminate unnecessary and otherwise extraneous reporting requirements are exactly the type of proactive suggestions our regulators should provide to the committee for consideration.

Despite the Senate's unwillingness to pass equally bipartisan bills to spur growth, promote capital formation,

and create jobs, I hope our colleagues in the Senate can agree that this exceedingly minor change is worthy of swift enactment.

Again, I want to thank the gentlewoman from Arizona (Ms. SINEMA) and the gentleman from Virginia (Mr. HURT) for their bipartisan work.

Mr. Speaker, I reserve the balance of my time.

Ms. MOORE. Mr. Speaker, I yield myself such time as I may consume.

I am so happy to join the chairman of the Financial Services Committee and Ms. SINEMA in overwhelmingly supporting H.R. 3032.

This bill, of course, will relieve the SEC from unnecessary administrative burdens and enable the already overwhelmed agency to focus resources to other, more mission-critical tasks, examinations, and enforcement.

Mr. Speaker, I yield such time as she may consume to the gentlewoman from Arizona (Ms. SINEMA) to talk about her great legislation.

Ms. SINEMA. Mr. Speaker, I thank Congresswoman MOORE and Chairman HENSARLING for their bipartisan support of this bill. I also thank Congressman ROBERT HURT for being the lead Republican sponsor of this bipartisan legislation.

Mr. Speaker, I rise today in support of our bill, H.R. 3032, the Securities and Exchange Commission Reporting Modernization Act.

Our regulatory system is inefficient, complicated and confusing, which is why it is so important that outdated regulations are reviewed with the goal of modifying them or repealing them to reduce waste and to make them work for everyday Americans.

That is why I have introduced this bipartisan legislation with Congressman HURT, to repeal an unnecessary and outdated reporting requirement in the United States Securities and Exchange Commission.

Since 1995, the SEC has been the only Federal agency required to compile this obscure annual report. It is a waste of taxpayer dollars, and it is a paperwork burden that diverts time and resources from protecting investors.

Modernizing the SEC's reporting requirements will allow the Commission to better focus on its mission of protecting investors; maintaining fair, orderly, and efficient markets; and facilitating capital formation.

I am committed to working with my colleagues on both sides of the aisle to ensure that our financial markets work for everyone, and I hope that Members will join me in support of this bipartisan legislation.

Mr. HENSARLING. Mr. Speaker, I reserve the balance of my time.

Ms. MOORE. Mr. Speaker, I have no more speakers, so I yield back the balance of my time.

Mr. HENSARLING. Mr. Speaker, I have no further requests for time, so I urge all of my colleagues to support this commonsense, bipartisan bill.

I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. HENSARLING) that the House suspend the rules and pass the bill, H.R. 3032.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

#### COMMODITY EXCHANGE ACT AND SECURITIES EXCHANGE ACT OF 1934 AMENDMENTS

Mr. HENSARLING. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1317) to amend the Commodity Exchange Act and the Securities Exchange Act of 1934 to specify how clearing requirements apply to certain affiliate transactions, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 1317

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. TREATMENT OF AFFILIATE TRANSACTIONS.

(a) COMMODITY EXCHANGE ACT AMENDMENTS.—Section 2(h)(7)(D) of the Commodity Exchange Act (7 U.S.C. 2(h)(7)(D)) is amended—  
(1) by redesignating clause (iii) as clause (v);  
(2) by striking clauses (i) and (ii) and inserting the following:

“(i) IN GENERAL.—An affiliate of a person that qualifies for an exception under subparagraph (A) (including affiliate entities predominantly engaged in providing financing for the purchase of the merchandise or manufactured goods of the person) may qualify for the exception only if the affiliate—

“(I) enters into the swap to hedge or mitigate the commercial risk of the person or other affiliate of the person that is not a financial entity, and the commercial risk that the affiliate is hedging or mitigating has been transferred to the affiliate;

“(II) is directly and wholly-owned by another affiliate qualified for the exception under this subparagraph or an entity that is not a financial entity;

“(III) is not indirectly majority-owned by a financial entity;

“(IV) is not ultimately owned by a parent company that is a financial entity; and

“(V) does not provide any services, financial or otherwise, to any affiliate that is a nonbank financial company supervised by the Board of Governors (as defined under section 102 of the Financial Stability Act of 2010).

“(ii) LIMITATION ON QUALIFYING AFFILIATES.—The exception in clause (i) shall not apply if the affiliate is—

“(I) a swap dealer;

“(II) a security-based swap dealer;

“(III) a major swap participant;

“(IV) a major security-based swap participant;

“(V) a commodity pool;

“(VI) a bank holding company;

“(VII) a private fund, as defined in section 202(a) of the Investment Advisers Act of 1940 (15 U.S.C. 80-b-2(a));

“(VIII) an employee benefit plan or government plan, as defined in paragraphs (3) and (32) of section 3 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002);

“(IX) an insured depository institution;